

ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

25 RH

COMMISSIONERS

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
BARRY WONG

2006 DEC 20 P 3:20

AZ CORP COMMISSION  
DOCUMENT CONTROL

Arizona Corporation Commission

DOCKETED

DEC 20 2006

DOCKETED BY

DOCKET NO. WS-04235A-06-0303

IN THE MATTER OF THE APPLICATION OF  
UTILITY SOURCE, LLC. FOR A  
DETERMINATION OF THE CURRENT FAIR  
VALUE OF ITS UTILITY PROPERTY AND FOR  
AN INCREASE IN ITS WATER AND  
WASTEWATER RATES AND CHARGES FOR  
UTILITY SERVICES.

PROCEDURAL ORDER

**BY THE COMMISSION:**

On May 1, 2006, Utility Source, LLC ("Utility Source" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a determination of the current fair value of its utility plant and property and for increases in its rates and charges for water and wastewater utility service provided to customers in the Company's service area in Coconino County, Arizona.

By Procedural Order issued July 10, 2006, a hearing in this matter was scheduled for January 22, 2007, and other procedural deadlines were established.

On November 8, 2006, a Procedural Order was issued granting a request by the Commission's Utilities Division Staff ("Staff") to extend the deadline for filing its Direct Testimony, until January 15, 2007.

On November 14, 2006, David Hitesman and Dennis Jones, customers of Utility Source, filed a Motion to Intervene and requested that the hearing be moved to Flagstaff. No objections have been filed and, accordingly, the Motion to Intervene should be granted. The evidentiary hearing in this matter will be held in Phoenix at the Commission's offices. However, a local public comment hearing may be scheduled in Flagstaff by a subsequent Procedural Order.

On November 30, 2006, Staff filed a Notice of Recommended Schedule Changes, including a change of the current hearing date and other previously established procedural deadlines. Staff indicates that the other parties have agreed to the proposed changes, including moving the evidentiary hearing date to April 3, 2007. Staff's request is reasonable and shall be granted.

1 IT IS THEREFORE ORDERED that the Motion to Intervene filed by David Hitesman and  
2 Dennis Jones is hereby granted.

3 IT IS FURTHER ORDERED that the **evidentiary hearing in the above-captioned matter**  
4 **shall be rescheduled to commence on April 3, 2007, at 10:00 a.m.,** or as soon thereafter as is  
5 practical, at the Commission's offices, 1200 West Washington, Phoenix, Arizona 85007.

6 IT IS FURTHER ORDERED that the **hearing currently scheduled for January 22, 2007, at**  
7 **10:00 a.m., shall be conducted for the purpose of taking public comment only.**

8 IT IS FURTHER ORDERED that the **pre-hearing conference shall be rescheduled for**  
9 **March 30, 2007, at 2:00 p.m.,** at the Commission's offices, for the purpose of scheduling witnesses  
10 and the conduct of the hearing.

11 IT IS FURTHER ORDERED that the **Staff Report and/or any direct testimony and**  
12 **associated exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and**  
13 **filed on or before January 16, 2007.**

14 IT IS FURTHER ORDERED that any **direct testimony and associated exhibits to be**  
15 **presented at hearing on behalf of intervenors shall be reduced to writing and filed on or before**  
16 **January 16, 2007.**

17 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits to be**  
18 **presented at hearing by the Company shall be reduced to writing and filed on or before**  
19 **February 16, 2007.**

20 IT IS FURTHER ORDERED that any **surrebuttal testimony and associated exhibits to be**  
21 **presented at hearing by Staff or intervenors shall be reduced to writing and filed on or before**  
22 **March 5, 2007.**

23 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits to be**  
24 **presented at hearing by the Company shall be reduced to writing and filed on or before March**  
25 **27, 2007.**

26 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m. on the date the**  
27 **filing is due, unless otherwise indicated.**  
28

1 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have  
2 been prefiled as of March 27, 2007, shall be made before or at the March 30, 2007 pre-hearing  
3 conference.

4 IT IS FURTHER ORDERED that the applicable timeclock in this matter shall be extended by  
5 75 days in accordance with the revised hearing date set forth herein.

6 IT IS FURTHER ORDERED that, in all other respects, the July 10, 2006 Procedural Order  
7 shall remain in full force and effect.

8 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
9 Communications) continues to apply to this proceeding as the matter is now set for public hearing.

10 IT IS FURTHER ORDERED that all parties must comply with Rule 33 (c) and (d) of the  
11 Rules of the Arizona Supreme Court with respect to practice of law and admission pro hac vice.

12 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance  
13 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
14 Rules of the Arizona Supreme Court). Representation before the Commission includes the obligation  
15 to appear at all hearings and procedural conferences, as well as all Open Meetings for which the  
16 matter is scheduled for discussion, unless counsel has previously been granted permission to  
17 withdraw by the Administrative Law Judge.

18 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,  
19 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at  
20 hearing.

21 Dated this 20<sup>th</sup> day of December, 2006

22  
23 

24 DWIGHT D. NODES  
25 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE  
26  
27  
28

1 Copies of the foregoing mailed/delivered  
this 20th day of December, 2006 to:

2 Richard L. Sallquist  
3 SALLQUIST, DRUMMOND & O'CONNOR  
4 4500 S. Lakeshore Drive, Ste. 339  
5 Tempe, AZ 85282  
6 Attorneys for Utility Source, LLC

7 Utility Source, LLC  
8 721 E. San Pedro  
9 Gilbert, AZ 85234

10 Ponderosa Fire District  
11 c/o Starr Lanphere, Board Chairman  
12 P.O. Box 16359  
13 Bellemont, AZ 86015

14 David Hitesman  
15 4661 N. Bellemont Springs  
16 Bellemont, AZ 86015

17 Dennis Jones  
18 11573 W. Cove Crest  
19 Bellemont, AZ 86015

20 Christopher Kempley, Chief Counsel  
21 Legal Division  
22 ARIZONA CORPORATION COMMISSION  
23 1200 West Washington Street  
24 Phoenix, AZ 85007

25 Ernest G. Johnson, Director  
26 Utilities Division  
27 ARIZONA CORPORATION COMMISSION  
28 1200 West Washington  
Phoenix, AZ 85007

ARIZONA REPORTING SERVICE, INC.  
2627 N. Third Street, Suite Three  
Phoenix, Arizona 85004-1104

By: 

Debbi Person  
Secretary to Dwight D. Nodes